

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-08  
EA-10 FRB-03 INR-10 IO-13 NEA-10 NSAE-00 USIA-06  
OPIC-03 SP-02 TRSE-00 LAB-04 SIL-01 AGRE-00  
OMB-01 SS-15 STR-07 NSC-05 /117 W  
-----123834 242033Z /43

R 241938Z MAR 78  
FM AMEMBASSY PARIS  
TO SECSTATE WASHDC 9123  
INFO ALL OECD CAPITALS

C O N F I D E N T I A L SECTION 01 OF 03 PARIS 10131

USOECD

E.O. 11652: GDS  
TAGS: OECD, EIND  
SUBJECT: INDUSTRY COMMITTEE CHAIRMANSHIP  
REF: A) STATE 76047 (NOTAL), B) STATE 76049 (NOTAL)

SUMMARY: WE APPROACHED DELEGATIONS HERE ON MARCH 23  
TO TELL THEM OF ASSISTANT SECRETARY WEIL'S AVAILABILITY  
FOR THE INDUSTRY COMMITTEE CHAIRMANSHIP. THE NEWS  
WAS FAVORABLY RECEIVED, THOUGH NATURALLY WITHOUT  
COMMITMENT, FROM PRACTICALLY ALL DELEGATIONS. HOWEVER,  
NOT ENTIRELY UNEXPECTEDLY, WE ENCOUNTERED A PROBLEM  
WITH THE GERMANS. DEPUTY PERMREP GOLDSCHMIDT SAID THAT  
MME. BUCHNER-SCHOPF HAD BEEN APPROACHED BY THE  
AUSTRALIANS (COUNTRY OF OUTGOING CHAIRMAN), OFFERED  
THE CHAIR, AND ASSURED THAT A CANVASS HAD INDICATED NO  
OPPOSITION. HE WAS THEREFORE SURPRISED BY A U.S.  
CANDIDACY. WE EXPLAINED THAT OUR UNDERSTANDING OF  
THE FACTS WAS DIFFERENT AND THAT NEITHER THE SECRETARIAT  
NOR ANY DELEGATION WE HAD CONTACTED SUPPORTED GOLD-  
SCHMIDT'S VERSION. IT SEEMS CLEAR TO US THAT GOLD-  
SCHMIDT HAS BEEN MISINFORMED. FURTHER LIGHT ON THIS  
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SHOULD BE SHED FROM RESPONSES WE GET FROM CAPITALS TO  
OUR APPROACHES. AFTER THIS DUST SETTLES, WASHINGTON  
MAY WISH TO CONSIDER A BILATERAL APPROACH TO THE  
GERMANS TO SMOOTH THIS OUT. WE REMAIN CONVINCED THAT  
MME. BUCHNER-SCHOPF WOULD AS CHAIRMAN SERVE AS AN  
OBSTACLE TO ENERGIZING THE INDUSTRY COMMITTEE IN THE  
WAY WE ENVISAGE. END SUMMARY

1. ON MARCH 23 WE CONTACTED DELEGATIONS TO ADVISE THAT ASSISTANT SECRETARY OF COMMERCE FOR INDUSTRY AND TRADE FRANK A. WEIL WOULD BE AVAILABLE TO SERVE AS INDUSTRY COMMITTEE CHAIRMAN IF OTHER DELEGATIONS WISHED HIM TO DO SO. WE NOTED THAT CURRENT CHAIRMAN WOODS WOULD BE LEAVING THE CHAIR AFTER THE NEXT MEETING (APRIL 4 TO 6). WE EXPLAINED THAT IN THE U.S. VIEW, THE INDUSTRY COMMITTEE WORK HAS RECENTLY MOVED CLOSER TO CENTRAL CONCERNS OF THE ORGANIZATION. ITS WORK ON FUTURE INDUSTRIAL STRUCTURES AND ON IDENTIFICATION OF INVESTMENT BOTTLENECKS HAS INVOLVED THE KIND OF MICROECONOMIC SECTORAL ANALYSIS WHICH IS AN INCREASINGLY IMPORTANT COMPLEMENT TO MACROECONOMIC ANALYSES AND CAN CONTRIBUTE IMPORTANTLY TO THE WORK ON STRUCTURAL ADJUSTMENT NOW UNDER DISCUSSION IN THE EXECUTIVE COMMITTEE IN SPECIAL SESSION. THE U.S. BELIEVES THAT THIS TREND OF INDUSTRY COMMITTEE WORK SHOULD BE ENCOURAGED AND WE ARE PREPARED TO UPGRADE OUR REPRESENTATION AND MAKE AVAILABLE A MAN OF THE RANK AND CAPACITY OF ASSISTANT SECRETARY WEIL TO SERVE AS CHAIRMAN.

2. WE WERE ABLE ON MARCH 23 TO CONTACT THE FOLLOWING DELEGATIONS: AUSTRALIA, AUSTRIA, BELGIUM, CANADA, FINLAND, GERMANY, GREECE, IRELAND, ITALY, JAPAN, CONFIDENTIAL

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LUXEMBOURG, PORTUGAL, SWEDEN, SWITZERLAND, AND THE UNITED KINGDOM. OTHER DELEGATIONS WERE NOT REACHABLE, POSSIBLY BECAUSE OF THE APPROACHING EASTER WEEKEND, WE WILL DESCRIBE THE PROBLEM WITH GERMANY BELOW, ALL OTHER DELEGATIONS WE CONTACTED RECEIVED THE NEWS WITH GENERAL SYMPATHY AND PROMISED TO REFER THE QUESTION TO THEIR CAPITALS. ONLY GREECE WAS ABLE ON THE SPOT TO COMMIT ITSELF TO OUR SUPPORT AND EVEN TO OFFER TO PUT WEIL'S NAME IN NOMINATION. A NUMBER OF EC DELEGATIONS MENTIONED THEIR NEED TO DETERMINE WHETHER OR NOT AN EC CANDIDATE WOULD BE IN THE RUNNING AND IF SO, TO TAKE THIS INTO CONSIDERATION. ASKED ABOUT RIVAL CANDIDACIES, WE SAID WE HAD HEARD THAT A GERMAN AND POSSIBLY A

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NORWEGIAN DELEGATE MIGHT BE IN THE RUNNING THOUGH WE  
COULD NOT CONFIRM EITHER POINT. (NOTE: WE WERE UNABLE  
TO REACH NORWEGIANS.) LUXEMBOURG PARTICULARLY  
OBSERVED THAT GERMANY ALREADY HAD THE TRADE COMMITTEE  
CHAIRMANSHIP AND THAT AN INDUSTRY COMMITTEE CHAIRMAN-  
SHIP WOULD GIVE THEM UNDULY HEAVY RESPONSIBILITIES  
REGARDING STRUCTURAL ADJUSTMENT. LUXEMBOURG SAID THEY  
WOULD RAISE THIS POINT IF THE ISSUE CAME UP AT AN EC  
CAUCUS. THE SECRETARIAT HAD BEEN LED TO UNDERSTAND  
THAT AUSTRALIA (COUNTRY OF OUTGOING CHARMAN WOODS)  
WAS SUPPORTING GERMAN CANDIDATE BUCHNER-SCHOPF FOR THE  
POISTION. THE AUSTRALIANS HERE TOLD US THAT THIS WAS  
NOT THE CASE, THAT THEY HAD BEEN APPROACHED BY MRS.  
BUCHNER-SCHOPF WHO SAID SHE WAS ACTING UNDER HER  
GOVERNMENT'S INSTRUCTIONS. THE AUSTRALIANS SAID FLATLY  
THEY HAD MADE NO COMMITMENT TO HER. WITH ONE EXCEP-  
TION, NO OTHER DELEGATION WE CONTACTED HAD BEEN  
APPROACHED ON MME. BUCHNER-SCHOPF'S BEHALF. HOWEVER,  
JAPAN CALLED US BACK IN THE AFTERNOON TO SAY THEY HAD  
JUST BEEN SO APPROACHED (COMMENT: POSSIBLY IF THEY  
THEMSELVES CALLED THE GERMANS TO CHECK THE STATUS OF  
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MATTERS). VIRTUALLY ALL DELEGATIONS EXPRESSED  
AGREEMENT WITH OUR RATIONALE FOR INDUSTRY COMMITTEE  
WORK AND WERE IMPRESSED BY OUR READINESS TO MAKE  
AVAILABLE A CHAIRMAN OF ASSISTANT SECRETARY RANK.  
MANY OF THEM SAID THAT A CURRICULUM VITAE OF MR. WEIL  
WOULD FACILITATE THEIR CONSIDERATION OF THIS QUESTION.

3. WE CONTACTED THE GERMAN DELEGATION (DEPUTY PERMREP GOLDSCHMIDT) AT THE END OF THE AFTERNOON. GOLDSCHMIDT TOOK A VERY STRONG LINE. HE HAD HEARD OF THE AMERICAN CANDIDACY (POSSIBLY FROM THE JAPANESE, AS NOTED ABOVE) AND WAS "ASTONISHED" BY IT. IN FACT, DURING THE COURSE OF OUR 15 OR 20 MINUTE CONVERSATION, HE WAS ASTONISHED ABOUT HALF A DOZEN TIMES. GOLDSCHMIDT SAID THAT GERMANY HAD NOT SOUGHT THE CHAIRMANSHIP, BUT HAD BEEN APPROACHED BY THE AUSTRALIANS WHO INDICATED TO THEM THAT A CANVASS HAD BEEN MADE OF DELEGATIONS AND THAT MME. BUCHNER-SCHOPF WOULD BE UNOPPOSED AS CHAIRMAN. BASED ON HIS UNDERSTANDING THAT THE MATTER WAS WRAPPED UP, THE GERMANS HAD NOT CIRCULATED A LETTER ANNOUNCING HER CANDIDACY. HENCE HERR GOLDSCHMIDT'S CONTINUING ASTONISHMENT. IN THE LIGHT OF THIS "CLARIFICATION," GOLDSCHMIDT WONDERED IF THE U.S. WOULD BE PREPARED TO WITHDRAW MR. WEIL'S CANDIDACY. WE SAID THAT OUR UNDERSTANDING WAS DIFFERENT. NO DELEGATION THAT WE HAD SPOKEN WITH HAD BEEN AWARE AT FIRST OF A GERMAN CANDIDACY EXCEPT FOR AUSTRALIA, AND THEIR DESCRIPTION OF THE FACTS DIFFERED FROM THAT OF MR. GOLDSCHMIDT. THE SECRETARIAT WAS NOT AWARE THAT A GERMAN CANDIDACY WAS DEFINITIVE ALTHOUGH THEY TOO HAD HEARD FROM THE AUSTRALIANS OF MRS. BUCHNER-SCHOPF'S APPROACH. GOLDSCHMIDT REITERATED HIS STATEMENT OF WHAT HE BELIEVED HAD HAPPENED AND NOTED THAT ASSISTANT SECRETARY WEIL

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HAD NOT PARTICIPATED IN ANY INDUSTRY COMMITTEE MEETINGS AND THAT THIS REPRESENTED A DEPARTURE FROM NORMAL TRADITION. WE SAID NO RULE OF THE ORGANIZATION REQUIRED THAT A CHAIRMAN BE DRAWN FROM REGULAR COMMITTEE PARTICIPANTS AND THAT OUR RATIONALE FOR PUTTING ASSISTANT SECRETARY WEIL FORWARD WAS TO IMPROVE THE SUBSTANTIVE WORK OF THE ORGANIZATION WHICH SEEMED A MORE IMPORTANT CONSIDERATION. GOLDSCHMIDT ASKED IF WE DID NOT THINK MME. BUCHNER-SCHOPF COULD EQUALLY WELL CARRY FORWARD THE WORK WE HAD DESCRIBED, AND HE NOTED THAT THROUGHOUT THE 60'S THE UNITED STATES HAD BEEN VERY CRITICAL OF THE WORK OF THE INDUSTRY COMMITTEE AND THAT OUR POSITION NOW HAD ONLY RECENTLY CHANGED. WE SAID THAT THE U.S. CANDIDACY HAD BEEN DEVISED FOR SUBSTANTIVE REASONS OF THE INDUSTRY COMMITTEE AND NOT IN REACTION TO MRS. BUCHNER-SCHOPF'S POSSIBLE CANDIDACY. OUR CANDIDACY WAS NOT TO BE INTERPRETED AS CRITICAL OF THE LADY'S CAPACITIES BUT WE HAD MADE AVAILABLE A TOP CANDIDATE FOR EXCELLENT REASONS AND WE THOUGHT THAT SHOULD BE TAKEN SERIOUSLY BY OTHERS. OUR CONVERSATION CONCLUDED ON A REASONABLY CORDIAL NOTE IN WHICH WE AGREED TO REPORT EACH OTHER'S VIEWS.

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4. IN VIEW OF THE VEHEMENCE WITH WHICH GOLDSCHMIDT PUT FORWARD HIS UNDERSTANDING THAT THE AUSTRALIANS HAD IN FACT OFFERED MME. BUCHNER-SCHOPF THE CHAIRMANSHIP (WHICH OF COURSE IT WAS NOT THEIRS TO OFFER UNLESS THEY HAD MADE EXHAUSTIVE CONSULTATIONS), WE EXPLORED WITH OECD INDUSTRY DIRECTOR BECKLER THE POSSIBILITY THAT DELEGATES FROM SOME CAPITALS MIGHT INDEED HAVE ACTED AS GOLDSCHMIDT ASSERTED WITHOUT INFORMING THEIR PERMANENT DELEGATIONS. BECKLER THOUGHT THIS WAS HIGHLY IMPROBABLE. HE SAID OUTGOING CHAIRMAN WOODS IN HIS LAST INDUSTRY COMMITTEE MEETING HERE DID NOT YET KNOW HE WOULD BE RESIGNING AND COULD NOT HAVE ACTED IN THIS WAY. BECKLER REPEATED WHAT HE HAD TOLD US EARLIER, THAT SECRETARIAT KNOWLEDGE OF A GERMAN CANDIDACY HAD BEEN ONLY THAT WHICH THE AUSTRALIANS HAD TOLD US.

5. COMMENT: IT SEEMS CLEAR THAT GOLDSCHMIDT HAS BEEN MISINFORMED ON THE BASIC FACTS, ALTHOUGH THE POSSIBILITY CANNOT BE EXCLUDED THAT MME. BUCHNER-SCHOPF RECEIVED SOME INDICATIONS OF SUPPORT FROM REPRESENTA-  
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TIVES FROM CAPITALS, POSSIBLY AT RECENT WORKING GROUP MEETINGS. SOME FACTS MAY WELL BECOME CLEARER AS RESPONSES TO OUR APPROACH HERE COME BACK FROM CAPITALS. WHILE IT MIGHT BE HELPFUL TO LET A LITTLE DUST SETTLE IN THIS WAY, IT SEEMS CLEAR THAT THERE IS A PROBLEM WITH GERMANY ON THIS MATTER (AND PERHAPS MORE BROADLY REGARDING THE WORK OF THE INDUSTRY COMMITTEE), AND THE DEPARTMENT MAY WISH TO CONSIDER A BILATERAL APPROACH TO SMOOTH THIS ONE OUT. DESPITE DR. GOLDSCHMIDT'S STATEMENT THAT THE GERMANS AGREED WITH US ON THE APPROPRIATE LINE OF WORK FOR THE INDUSTRY COMMITTEE, IT IS WORTH RECALLING THAT MME. BUCHNER-SCHOPF HAS BEEN PERSISTENTLY HOSTILE TO THE INVESTMENT BOTTLENECK STUDY AND AS CHAIRMAN WOULD IN ALL LIKELIHOOD SERVE AS AN OBSTACLE TO ENERGIZING THE GROUP IN THE WAY WE ENVISAGE.  
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## Message Attributes

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